

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF OREGON

3 UNITED STATES OF AMERICA,)
4 Plaintiff,) No. 05-60008-2-HO
5 v.) September 18, 2007
6 PIROUZ SEDAGHATY, et al.,) Eugene, Oregon
7 Defendants.)

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9 TRANSCRIPT OF PROCEEDINGS
10 BEFORE THE HONORABLE MICHAEL R. HOGAN
11 UNITED STATES DISTRICT COURT JUDGE
12

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1 (Tuesday, September 18, 2007; 12:15 p.m.)

2 P R O C E E D I N G S

3 THE CLERK: This is the time set for Criminal
4 05-60008-2-HO, *United States of America versus Pirouz*
5 *Sedaghaty*, continuation of hearing on appeal of release
6 order.

7 THE COURT: Good morning, gentlemen. We'll
8 wait for your client.

9 MR. MATASAR: Good morning.

10 MR. CARDANI: Good morning, Your Honor.

11 (Defendant enters the courtroom.)

12 THE COURT: Mr. Matasar.

13 MR. MATASAR: Good morning, Your Honor.

14 THE COURT: Good morning. I received your
15 papers at 3:10 yesterday.

16 MR. MATASAR: Okay. And you've had a chance to
17 review them, Your Honor?

18 THE COURT: I did.

19 MR. MATASAR: I have little to add to the
20 documents, Your Honor. I just want to point out one or
21 two of the issues that has happened here.

22 We're going so fast in this kind of proceeding.
23 What typically, in this building or its predecessor and
24 other buildings like it, we are able to look at
25 documents, we are able to think things through in a way

1 that gives us time to reflect, and we're much more
2 likely to reach the correct decision. And we've had --
3 I just want to talk about, a minute or two, about some
4 of the misconceptions that have happened, some in my
5 letter.

6 Most importantly, the different dates on the
7 passport that Judge Coffin noticed. We're getting
8 documents here and there. He looks. He sees. And he's
9 quite right, there is different dates of birth and
10 different address -- I'm sorry, different spellings of
11 the name on the defendant's Iranian and American
12 passports. And Judge Coffin was concerned about it. He
13 talked about it from the bench. It was not
14 determinative, but it was something that he was
15 concerned about.

16 And as I indicated in my papers, with
17 documentary support, the defendant has had different
18 dates of birth long predating this case.

19 I have obtained his Oregon driver's license.
20 I'm not sure if Ms. Brown typically does this. What it
21 shows -- and maybe I'll make it an exhibit -- it shows
22 that the record was created in 1976. And it has the
23 date of birth of 1/2/58. So there is -- there is no
24 indication that either of these two dates were anything
25 other but some sort of transliteration mistake when

1 Mr. Seda came to the United States in 1976, or when he
2 got his driver's license.

3 Similarly, the specific numbered addresses, I
4 know Ms. Brown in her discussions with me was skeptical,
5 how do people get mail in these countries without
6 specific numbered addresses, with this landmark
7 approach? What we've tried to do, Your Honor, is
8 explain that this isn't any sort of refusal of Mr. Seda
9 to provide specific addresses. What happened was he
10 used an approach almost exactly described as the -- as
11 used by people in these countries for a long time. They
12 are trying to change it, but that was what happened.

13 There is also an error -- you saw -- you said
14 you read my papers. There is at least one typographical
15 error, something I added at the very end. There is an
16 error. We said that we provided the documents -- this
17 is on page seven -- to verify his location at the times
18 he has previously provided. And I wrote "very."

19 One thing I did write about in my memo, Your
20 Honor, is that we haven't talked a lot about the cases
21 here. I think in pretrial release setting, it's pretty
22 much based on the statute. Mr. Cardani and I haven't
23 really had any dispute about *United States versus Smith*,
24 *United States versus Jones*, the Sixth Circuit versus the
25 Ninth Circuit. Those kinds of arguments are often very,

1 very important. In here, there is really not much of an
2 issue about what the main legal questions are. There is
3 one thing, though, that I wanted to mention to the court
4 that I've come across as I've been reading all these
5 cases, and that is in many of them, one of the reasons
6 that argues against release is the overwhelming proof of
7 guilt that the government has shown the court in the
8 case. Maybe hand-to-hand buys in a cocaine case. Maybe
9 a surveillance in a bank robbery case. And those are
10 something that can be considered as perhaps showing some
11 more risk of flight. Well, we have really the opposite
12 here, Your Honor.

13 In some of my previous memos, I've talked about
14 it. They have to show a criminal intent. And we have
15 criminal intent to get this money to people in Chechnya
16 that shouldn't have it, according to the government.
17 There is no loss to the Treasury of the United States.
18 This is only an informational return, and some money
19 taken out of the country. And yet here, we have two
20 defenses. One, it did go to charity. We've presented
21 documents translated from the Russian and all sorts of
22 other documents showing that in an exhibit to my first
23 memo. And not only that, there is good reason to
24 believe that the people fighting in Chechnya, at least
25 according to some people, are fighting a war of

1 liberation and not a terrorist struggle. So we have --
2 or maybe just as important -- we think we have a good
3 defense to the charges, so there is much less overall --
4 there is really no flight risk.

5 The defendant -- one more thing about the
6 cases, Your Honor, and I think that's all I'll say.
7 We're aware that this is a case where the court has de
8 novo review of Judge Coffin's decision. You've stated
9 that on the record, and the law is crystal clear. On
10 the other hand, he is, as I think you said, a very smart
11 man who you hired. He saw the same cases. In some
12 respects, that kind of decision-making is in many ways
13 more powerful than the rules of deference, maybe, for
14 one court and another court.

15 So we do think -- especially when you look at
16 some of the things that he said that I've quoted, some
17 of the other things in the transcripts, we think that
18 his way of looking at this case is something which is
19 very persuasive, if not binding, on this court.

20 THE COURT: I'll pass along your compliments.

21 MR. MATASAR: Same for you, Your Honor, either
22 way, Mr. Cardani, everybody.

23 In any event, Your Honor, Mr. Seda -- I also
24 have here, and I guess I'll have these marked -- this
25 marked as an exhibit too, although I cited to it. I'd

1 like to introduce both the driver's license, and also
2 the third edition of this book. I quoted some of it in
3 my materials. But this is a man who has spoken out
4 around the world, around the world, in foreign
5 countries, and in the United States, against terrorism
6 and in favor of peace. This is not a last-minute
7 finding of religion by somebody who is about to be
8 sentenced to a long prison term. It's nothing like that
9 at all.

10 It is somebody who -- as Rabbi Zaslow said in
11 his letter to Judge Coffin, it's something -- a position
12 that the defendant has taken at some risk even to
13 himself. And we think it's all something that should be
14 considered in determining if he should be released.

15 So maybe I'll present the license and the third
16 edition of the book. I'm sorry, I didn't realize I had
17 stickers. I'm not sure of the numbering convention in
18 this sort of matter, Your Honor. Should I be 101 and
19 102 or 1 and 2? I'll make the *Islam Is Defendant's* 101,
20 and the Oregon driver's license 102.

21 THE COURT: Without objection, they are
22 received.

23 MR. MATASAR: Thank you, Your Honor. And I'm,
24 of course, happy to answer -- whatever questions you
25 have, I want to address. I know Mr. Cardani and I

1 have -- I don't know if it's going to come up here --
2 have a pretty serious disagreement about some of the
3 materials that he gave me today. I'm not sure if that's
4 going to come up, so I'll just leave that for later.

5 THE COURT: Let me just -- Mr. Cardani, of
6 course you'll have a chance to speak. But I am going to
7 be interested in your position -- both your positions on
8 whether I should be able to ask questions of your client
9 or case agents in camera in this determination. I'd
10 like your response to that. And I will tell you that,
11 you know, part of that comes from some other information
12 that I have received from Pretrial Services since we
13 were together last.

14 For example, I have a copy of what is called a
15 business card from Dubai, a copy of what's called a
16 business card from Syria, neither of which we've been
17 able to confirm any activity under, frankly. A card
18 that is not really a business card, but it probably is
19 a -- either an agency or a customer card for Ritchie
20 Bros. Auctioneers, and that there were a couple of
21 transactions under. What I'm told about that is that in
22 order to have -- in order to be in that position of
23 holding that card, you have to make a \$25,000 deposit,
24 for example.

25 I just have so many questions about -- and we

1 asked the defendant's wife where he was for
2 two-and-a-half years in Iran. And she professes not to
3 know.

4 MR. MATASAR: She was not with him, Your Honor.
5 We have given the Pretrial Services the name and e-mail
6 address of the person that he was with. She was not
7 allowed to go to Iran. She was not there. So that's
8 why she does not have the contact information. Pretrial
9 Services does. As far as your question, Your Honor, let
10 me answer that first.

11 THE COURT: Sometimes I go to Medford, like
12 tomorrow, and my wife will know where I am. Then I'm
13 going to Palo Alto on Friday. She'll know where I am.

14 MR. MATASAR: I believe his wife knew where he
15 was and was in contact with him on almost daily contact
16 via Internet and other ways, Your Honor. I do not think
17 this is a question. And if Ms. Brown heard it that way,
18 it's not correct. I'm certain that she did not say he
19 went away in a black hole and there was no contact for
20 two years. I just don't think that's what occurred. I
21 think there was regular contact.

22 And again -- so -- and as far as your question
23 goes, I thought about this. I have suggested it. It's
24 fine with me as far as the interview. If you want to
25 talk to the government's agents, even apart from

1 Mr. Cardani and I, however you want to do this. I just
2 want to make sure that I have some time, though, to
3 respond to some of the material that Mr. Cardani just
4 gave me today as far as the verification.

5 Another thing, Your Honor, Mr. Cardani told
6 Judge Coffin several times in order to break the wall of
7 secrecy of pretrial documents that Pretrial Services
8 does not have the resources to go to these countries and
9 do this kind of work. He needed to have his attaches in
10 the foreign countries, the FBI's foreign agents, he
11 needed to have them check this material so that they
12 could verify where the defendant was.

13 However, I am told what has occurred is simply
14 that instead of Ms. Brown making the telephone calls,
15 they've had the case agent, who has been investigating
16 Mr. Seda for four years, making the telephone calls.
17 That's not my understanding of the purpose for breaking
18 down the Pretrial Services' wall.

19 Ms. Brown can make the phone calls from the
20 U.S. just as easily as Ms. Anderson. I think it's
21 completely contrary to what I think the Pretrial
22 Services' role is. Of course, Your Honor makes whatever
23 decision you want to make. But I think that's a concern
24 that I have about how this was done.

25 As far as some of the material that I have

1 seen, again, I just got it late this morning, we have
2 one report that's based on information from a man who
3 didn't give his last name. We have no idea when he
4 worked there. And he was asked about a situation that
5 happened in October 19 -- I'm sorry, October 2004. Why
6 would he remember that? We don't know if he was working
7 there. It, instead, looks like the kind of situation
8 which our expert gave in an affidavit that they just
9 don't want to say anything about it. He said, I don't
10 need to check my computer system. I would know whether
11 we had any business transactions with the defendant in
12 2004. There is just -- I'm not sure what could be
13 accomplished. On the other hand, we have no problem
14 with the court speaking with the defendant, even without
15 the presence of the lawyers. I think it would, frankly,
16 help.

17 THE COURT: I would not do that. More the
18 question is whether either of you have objection to me
19 taking some information, to the extent there is any, in
20 camera on this question. I have no intention of letting
21 information that's gathered by me for this purpose be
22 used in a prosecution. But, on the other hand, if
23 either of you object to that, then I'll just consider
24 myself partly in the dark.

25 MR. MATASAR: No, we do not object, Your Honor.

1 MR. CARDANI: Good morning, Judge. We want you
2 to be fully illuminated on every aspect that you can be
3 in making this decision.

4 As these hearings go on and on and on, what I
5 heard last week is that you concluded by suggesting to
6 Mr. Matasar that you needed him to provide more
7 information on three areas: The passport discrepancies,
8 the financial information about what he's been up to in
9 the last four-and-a-half years as an international
10 fugitive, and where he has resided.

11 Now, I'm not privy to every communication with
12 Pretrial Services, but to the best of my knowledge,
13 there hasn't been a lot of information -- new
14 information given to Pretrial Services since we broke
15 last week. If there is, I'm not aware of it.

16 THE COURT: There was a marriage -- copy of a
17 marriage certificate, a copy of a naturalization
18 certificate.

19 MR. CARDANI: And I saw the filing that
20 Mr. Matasar filed yesterday afternoon. I've had a
21 chance to review it only this morning, so I don't have a
22 lot of follow-up for that. But I do have this, Judge,
23 on the passport issue, it's helpful that Mr. Matasar
24 provides this document showing that there was some
25 discrepancies in the date of birth and the name before

1 he fled. I get that. I understand that. But it
2 doesn't answer some of the outstanding questions.

3 And I think this has been on the table for a
4 long time now. We don't have answers to why Mr. Seda
5 had a passport, a second passport, the Iranian, when he
6 surrendered here last month. That didn't get presented
7 to the court until we were well into the detention
8 hearing, when we noticed that there were no travel to
9 Iran and Syria on his U.S. passport. It was only then
10 that we were presented with the Iranian passport that
11 the court has seen.

12 When you look at that, some unanswered
13 questions that are very important, when he got that
14 Iranian passport in 2006, it was a replacement passport
15 for a previous one, which the court also has. That
16 previous Iranian passport was good until 2009. And it
17 had pages and -- it had pages which -- there were blank
18 pages, meaning he could still travel on that passport.
19 He could still use it. It was valid -- for all intents
20 and purposes, a valid Iranian passport that was good in
21 2006 through 2009.

22 For some unknown reason that has not been
23 explained to me, and I don't think to the court, or to
24 Pretrial, Mr. Seda saw the need to go to Iran and get a
25 new passport in 2006 while -- and he still had a valid

1 passport in Iran. I don't know the answer to that. I
2 don't think that there has been a logical explanation
3 for that. But I do know this: When he did this, he had
4 been indicted here. There was a current arrest warrant
5 for him here. So when he did that in 2006, he was an
6 international fugitive.

7 And while there were discrepancies that
8 preexisted, if you compare the facial appearance of
9 Mr. Seda, they are dramatically different. On all of
10 the other passport applications -- I'm sorry, passport
11 photos, the U.S. passport -- two U.S. passports, the
12 prior Iranian passport, Mr. Seda's facial appearance has
13 been as how he appears before the court today, with a
14 beard. The driver's license, which I just saw, was with
15 a beard. So what we know is that Mr. Seda left with a
16 beard, and all of his identification materials showed
17 him with a beard. Yet this 2006 passport, which was the
18 replacement passport in Iran, shows a quite different
19 appearance to Mr. Seda.

20 So I think that there is an inference that
21 could be drawn from that, and that is one of flight.
22 That he had in his possession an Iranian passport with a
23 different name -- spelling of his name, and a different
24 date of birth. Whether it came before or after, I
25 think, is beside the point. It was a passport that had

1 different information about him with a photo that made
2 him appear differently. And a passport that was not
3 turned over when he surrendered to U.S. authorities last
4 month. So I think that the information Mr. Matasar
5 provided is helpful, but doesn't answer the continuing
6 question about why there was a need to get this
7 passport.

8 MR. MATASAR: Your Honor, do you want me to
9 address that now?

10 THE COURT: No, thank you. You'll have a
11 chance.

12 MR. MATASAR: No, I know that.

13 MR. CARDANI: On the addresses and employment
14 in foreign countries, I think that there has been a
15 continuous press on Mr. Seda through Pretrial Services
16 and through Judge Coffin, tell us where you lived, tell
17 us how you lived. Those are normal questions for any
18 international fugitive. Those questions, by and large,
19 still remain today.

20 And from the government's standpoint, it makes
21 him -- continues to be a flight risk because these are
22 questions that have to be answered to determine what
23 he's been doing and what he's going to do here. And I'm
24 not giving up on the dangerousness issue, because where
25 has he been getting his money? If he's been getting his

1 money from the same type of sources that he took before
2 he fled, from al-Haramain officials, from Soliman
3 al-Buthe, a specially designated global terrorist, then
4 that's a problem. That's a violation of U.S. law, which
5 I'll get into in a minute.

6 So it's gone on and on and on trying to get
7 information from him. I think it was characterized it's
8 like pulling teeth -- attempting to pull teeth, trying
9 to get the most basic of information financially.

10 Now, Mr. Matasar says in the thing that I read
11 last night that it's really -- not really useful to get
12 any more information to the court on the financial
13 information and the employment information, because it's
14 so difficult to confirm things overseas because of our
15 present relationship with the governments of Iran and
16 Syria.

17 Special Agent Anderson is here. She can
18 testify. She can proffer. She has picked up the phone
19 and called some of the business contacts that Mr. Seda
20 had on the cards that were given to Pretrial Services
21 and to the court in its filing. Mr. Matasar has made
22 these public. She just simply picked up the phone and
23 called them, the business contacts. It was very easy to
24 do. She got basic information. She attempted to do
25 some corroboration, some verification, which is what

1 this court wanted at the conclusion of last week's
2 hearing. And she can provide the court with the
3 information, but a number of points are to be made.

4 We think we have confirmed that Mr. Seda did
5 some limited commercial activity with the -- with Iran
6 while he was in Dubai. Some sale of some equipment.

7 I'm not an expert in this area, Judge, and if
8 the court looks at information that doesn't come our
9 way, there are laws which prohibit commercial
10 transactions with Iran, and they are known -- the
11 shorthand is IEPA, but it's 50 USC 1701 through 1706.
12 And this makes it a felony to violate executive orders
13 issued by the president. And there are currently
14 executive orders prohibiting, without a license,
15 commercial activity, unless exempted, with the
16 governments of Iran. And so it may be the case that
17 Mr. Seda is not providing information about that because
18 he's been violating the law. Likewise, if he's been
19 accepting funding from Mr. al-Buthe, that's obviously a
20 crime by the same statute.

21 But my point, Judge, is verification can be
22 done, whether it's by Colleen Anderson or by Pretrial,
23 it can be done.

24 When we were with Judge Coffin, the reason we
25 offered to get the attaches overseas is because in

1 certain countries, we do have foreign agents there.
2 It's a time-consuming process to set leads and get
3 information. We're perfectly willing to do that. But
4 she was just able to do this by picking up the phone
5 because time is of the essence. And she was able to do
6 this verification very, very quickly. And this was
7 coming out of a meeting with Judge Coffin, an in camera
8 meeting, where we talked about some information coming
9 our way.

10 Now, as to use of information, Mr. Matasar also
11 continues to express an apprehension that if they
12 provide information which is incriminating, it can be
13 used against Mr. Seda in a future prosecution. And
14 there's a statute, 18 USC 3153(c)(1), which, unless
15 certain exemptions apply, prohibit us from using
16 information garnered through the Pretrial Services
17 process as an independent grounds for new prosecution.
18 I don't have a lot of experience in the area, but I did
19 research the statute, and it says clearly we can't do
20 that.

21 So if the only reason we found out that
22 Mr. Seda took money from a designated global terrorist
23 organization or engaged in commercial activity with
24 Iran, we couldn't use that as an independent grounds for
25 prosecution, but it can be used for impeachment purposes

1 if Mr. Seda were to state something falsely in some
2 court proceeding. So they do have some protections on
3 providing information that the court really does, I
4 suggest, need to verify his activities overseas.

5 Special Agent Anderson can also tell the court
6 that through her limited research she found out that
7 Mr. Seda may have access to a bank account in Dubai. It
8 hasn't been verified. But one of the entities she
9 contacted helped broker a transaction, and seems to have
10 suggested that Mr. Seda utilized the Dubai bank account
11 to wire transfer some money. I don't know if that
12 information has been provided to Pretrial Services, but
13 that's the kind of information I think, again, the court
14 needs to know. Does he have access to foreign bank
15 accounts that he could use to fund a fugitive existence
16 should he decide to once again flee the United States?

17 She also tried to call a number on one of the
18 business calls that Mr. Seda provided. And this was in
19 Dubai. And to her surprise, the person that answered
20 this business phone call was one of Mr. Seda's wives or
21 former wives, a woman name Laleh Zahedi, in Dubai. And
22 so what are we to take from that?

23 The point, I think, is in a business card that
24 Mr. Seda is providing to the court as some evidence of
25 business activity, his wife has an active cell phone.

1 So to this day in 2007, when she calls this business,
2 she answers and says that Mr. Seda is the president of
3 this organization --

4 MS. ANDERSON: Owner.

5 MR. CARDANI: -- the owner of this
6 organization. So she knew from that, that this woman is
7 still a force in his life, has a cell phone that is
8 active, and represents that Mr. Seda has some connection
9 with this business. Again, that was information that
10 was obtained through a phone call.

11 A couple of other points before I sit down or
12 answer the court's questions. There has been a
13 continuous statement that these are just tax charges,
14 and somehow this diminishes the charges or to contrast
15 them with more serious charges.

16 While it's true that one count is a tax charge,
17 the other count is a conspiracy to defraud the United
18 States. And that's a five-year felony. The tax charge
19 is a three-year felony. So he faces up to eight years
20 in prison. And as -- it may come to the point that if
21 there are convictions for these statutes, that there is
22 an enhancement under the sentencing guidelines; that if
23 the government is able to prove that these offenses were
24 committed to influence the conduct of a foreign
25 government that we're at peace with, then that can

1 trigger an enhancement under the guidelines. And here
2 it may take it right up to the eight-year statutory
3 maximum.

4 I think that the bottom line is this court a
5 week ago asked for more information on these subjects
6 and, with very little exception, it has not been
7 provided.

8 And as time goes on, and this is -- Mr. Seda
9 knows that these are important questions to get him
10 released, by not providing this information, the silence
11 is starting to speak loudly. I think that we've had now
12 five detention hearings, and continuous attempts to --
13 by Pretrial Services to get information, basic
14 information, that has not been forthcoming. And I think
15 at this point there are inferences to be drawn from
16 that, especially with the passport, the nature of the
17 countries that have been traveled in, and Mr. Seda's
18 background before he left.

19 On the court's suggestion of an in camera
20 meeting, I have no objection to the court getting
21 information from whatever source it feels appropriate.
22 I would ask that if it meets with Mr. Seda in camera
23 that it be done on the record, that it be sealed, for
24 potential use down the road, and that it be done in, not
25 only Mr. Matasar's presence, but I would suggest that

1 Pretrial Services --

2 THE COURT: They will be there.

3 MR. CARDANI: Okay. But I don't need to -- I
4 don't need to be there and I have no objection to doing
5 that. But if the court does that, the information, as
6 this court knows, has to be verifiable, if it can be
7 verified. And we've -- we can show with what she's done
8 that this information can be verified and really should
9 be verified. And the court needs to know that if he's
10 stating information that's violative of the law, then
11 that is an important factor to consider in whether you
12 should release him, that he's committing crimes while
13 on -- while on fugitive status.

14 Insofar as meeting with government agents, I'm
15 perfectly willing to do whatever the court wants. If
16 the court wants to go in camera with either one of the
17 agents, I would ask to be there, that it be on the
18 record, and that it be sealed. But to be honest with
19 you, Judge, really, there are no secrets. There are
20 limits on the law. And if there are classified
21 information and things like that, that would be one
22 thing, but insofar as this hunt for information, you
23 know, we can provide this information to the court in an
24 open forum.

25 I might add, I have not shown the Pretrial

1 Services' report to the agents. The information that
2 they've looked at has come through information from
3 Pretrial Services, Mr. Matasar's own filings, and things
4 of the like.

5 Lastly, would the court want to hear from
6 Special Agent Anderson on the subjects I discussed?

7 THE COURT: It's up to you.

8 MR. CARDANI: If I can just -- I don't know if
9 she needs to be sworn or not, or if Mr. Matasar is okay
10 with her standing up and addressing the court.

11 MR. MATASAR: I just would like to ask her a
12 question or two after she's done.

13 THE COURT: Probably should be sworn.

14 MR. CARDANI: Okay. I'd call Special Agent
15 Colleen Anderson.

16 (The witness was sworn.)

17 THE CLERK: Please state your full name, and
18 please spell your full name for the record.

19 THE WITNESS: My name is Colleen Anderson.
20 C-O-L-L-E-E-N, A-N-D-E-R-S-O-N.

21 DIRECT EXAMINATION

22 BY MR. CARDANI:

23 Q. Special Agent Anderson, if you could speak into
24 the microphone, make sure the light is on so that I can
25 hear you. You work for IRS Criminal Investigation?

1 A. Yes. I'm a special agent with IRS Criminal
2 Investigations.

3 Q. Okay. And you are one of the case agents in
4 this case?

5 A. Yes.

6 Q. And you are aware, through these proceedings,
7 that certain information has come up, and there has been
8 an attempt to verify with Judge Coffin, with Pretrial
9 Services, and to some extent, Judge Hogan, information
10 about the defendant?

11 A. Yes.

12 Q. And have you participated in an attempt to get
13 that information?

14 A. Yes, I have.

15 Q. And it's been kind of fast and furious, but did
16 you generate some reports on some of these contacts that
17 you made?

18 A. Yes. I've generated several reports on the
19 phone contacts that I've made.

20 Q. And you are about to get into that testimony,
21 but these reports I just saw for the first time this
22 morning, but we've made copies for Mr. Matasar and
23 provided them to him this morning?

24 A. Yes.

25 Q. Now, can you briefly tell Judge Hogan what you

1 have done since our last hearing, the one about one week
2 ago, in an attempt to follow-up on some of the
3 employment and financial information regarding
4 Mr. Seda's activities while he was a fugitive?

5 A. Yes. Judge, I met with Lisa Brown, and got
6 some copies of what appeared to be business cards or
7 business contacts that Mr. Sedaghaty had provided
8 Pretrial Services for both, I think, UAE and also Syria.
9 And in an attempt to verify the business contacts, one
10 specific, I believe it's Naba Commercial Brokerage,
11 L.L.C., I made approximately -- I believe four contacts
12 with four different companies to try and verify Naba
13 Commercial Brokerage, L.L.C., the validity of the
14 company, and what kind of money it made, you know, what
15 it did, what it did for business, and that kind of
16 thing.

17 MR. CARDANI: Judge, for your information, this
18 is page -- Mr. Matasar's filing, Exhibit A, pages 4 of
19 9, I believe, contains the business cards that she's
20 talking about right now.

21 BY MR. CARDANI:

22 Q. So what did you do?

23 A. First I contacted Ritchie Bros. Auctioneers.
24 One of the cards had Naba Commercial Brokerage, L.L.C.,
25 at the top and Ritchie Bros. Auctioneers at the bottom.

1 To me it appeared that Ritchie Bros. had issued this
2 card. So I did some Internet research. And found out
3 that Ritchie Bros. Auctioneers had -- was an
4 international company, and huge in the equipment
5 business, mainly equipment auctions.

6 So I contacted their Canadian international
7 office. It's actually the headquarters for their
8 international offices around the world. So I contacted
9 the Canadian branch, and spoke with -- I think it was an
10 administrative manager there. And I identified myself,
11 and told her that I was trying to verify any type of
12 business that they had done with Naba Commercial
13 Brokerage, L.L.C. She informed me that the manager of
14 the Dubai office of Ritchie Bros. Auctioneers happened
15 to be in Canada at that time, and that she could
16 transfer me to him, and I could ask him what type of
17 business contacts were with Naba Commercial Brokerage,
18 L.L.C.

19 So I was transferred to Mr. Pius Meier, who
20 told me that he had been, I believe, the manager there
21 from -- it was -- look at my notes here. It was -- I
22 think it was from like 2000 through 2007, I believe. He
23 had been the manager of the Dubai office for many, many
24 years, was very familiar with who they sold to, and who
25 the -- basically the sales of heavy equipment in that

1 region.

2 He told me that his company, Ritchie Bros.
3 Auctioneers, sold a lot of equipment to Iran. That
4 Mr. Sedaghaty, under Naba Commercial Brokerage, L.L.C.,
5 had only one purchase with their company. And that was
6 in December of '04 for a total purchase price of about
7 2150. And that contained two pieces of equipment, one
8 miscellaneous piece for \$400, and a forklift for 1750.
9 The 400-piece -- \$400 piece of equipment was resold at
10 their auction -- the following auction for \$500, less
11 the \$100 commission. So he said basically he just broke
12 even on it. And the forklift was taken in by
13 Mr. Sedaghaty, which means he came and basically got the
14 forklift. So the company had not shipped it for him.
15 And Mr. Meier had told me that because they do a lot of
16 business with Iran, a lot of the equipment gets shipped
17 there.

18 And I said, well, do you know the destination
19 of this piece of equipment? And he goes, well, my guess
20 would be that it would be Iran. And I said, but how
21 would I actually show the destination of the equipment?
22 And he said, well, since we didn't ship it, the Dubai
23 port authorities actually have -- I think it's Dubai
24 customs authorities actually has paperwork to show that.
25 And he offered to obtain those for me.

1 Q. Have you got those documents yet?

2 A. No, I have not.

3 Q. All right. And what about other attempts to
4 follow-up on information Mr. Seda provided to the court?

5 A. Well, in speaking with Mr. Meier at Ritchie
6 Bros. Auctioneers, he told me that there were only two
7 equipment auctioneer houses in all of the Middle East,
8 that would be Ritchie Bros. Auctioneers and a company
9 called Worldwide Auctions. And he told me that I could
10 probably find contact information for them on their Web
11 site, and gave me their Web site.

12 I went into the Web site, and I found the name
13 of what appeared to be the operating manager for the
14 Dubai office. I called up that manager on his cell
15 phone. And he told me that he would do his best to get
16 that information. I think a day or so after that, I got
17 an e-mail from one of his employees showing that
18 Mr. Sedaghaty had had two purchases with that company,
19 several trucks on one purchase, and a forklift for about
20 22,000, and then a Toyota Land Cruiser on a second
21 purchase for about 9,000.

22 They said that the destination is unknown as to
23 where those were shipped. Again, I believe from what I
24 was told from the previous manager that that information
25 would be available from the Dubai customs authorities

1 also.

2 And they also told me -- Worldwide Auctions
3 told me that their records show that Mr. Sedaghaty had
4 paid for these purchases from a wire transfer out of a
5 Dubai bank account. And that if I wanted more detailed
6 information, to recontact them, which I did. I e-mailed
7 them back and said, yes, please provide those banking
8 records, which I have not received yet.

9 Q. Now, I'd like to -- there was a Naba Commercial
10 Brokerage, L.L.C., card, in -- again, in Mr. Matasar's
11 submission, page 4 of 9, Exhibit A, listing Mr. Seda as
12 a managing director of Naba Commercial Brokerage in
13 Dubai. Did you attempt to make contact with Naba
14 Commercial Brokerage?

15 A. Yes, I did. I believe -- I don't have it in
16 front of me, but I believe on the Naba Commercial
17 Brokerage, L.L.C., business card that there was an
18 office phone and what appeared to be a cell phone on
19 there. I called the office phone, but it appeared to be
20 disconnected. It wouldn't go through. So then I tried
21 the cell phone. And a female answered the cell phone.
22 Basically she answered the cell phone hello. So once
23 she answered the cell phone hello, I believe I said,
24 well, is this Naba Commercial Brokerage, L.L.C.? And
25 she was a little hesitant, but she finally said, well,

1 yes. I said, well, may I speak to the owner please?
2 And she said -- basically said, well, he's not here
3 right now. And I said, well, may I ask the name of the
4 owner? And she stated Peter Sedaghaty. And I said,
5 really? I said, my name is -- I think I identified
6 myself at that point, and said my name is Colleen
7 Anderson. I'm a special agent with IRS Criminal
8 Investigations. Who am I speaking with, please? And
9 she answered Laleh. And I said, oh, would this be Laleh
10 Zahedi? And she confirmed that, yes, it was Laleh
11 Zahedi.

12 Q. Had you known her from before?

13 A. Yes. In fact, at that point, when I asked,
14 well, would this be Laleh Zahedi? and she said yes, she
15 hadn't said anything after that, and I said, well,
16 Laleh, this is Colleen Anderson. You remember me. I
17 served you with a subpoena on behalf of the al-Haramain
18 Corporation about five years ago, in which at that
19 point, she appeared to want to terminate the
20 conversation.

21 Q. Okay. All right. And anything else on
22 contacts or attempted contacts to verify information?

23 A. Yes. I also contacted a WMC Enterprises. From
24 my understanding, Pretrial Services was given a price
25 quote of some sort from this entity. This wasn't one of

1 the major auction houses. It appears to be more of a
2 retail type situation. So I attempted to call them.
3 And I asked for the manager. I found the manager's name
4 on their Web site. And the employee informed me that
5 the manager was in a business meeting of some sort. And
6 I identified myself, and said, you know, I am calling
7 because I want to try to confirm any business contacts
8 that you've had with Naba Commercial or Pirouz
9 Sedaghaty. And the employee, he said his name was
10 Monsul, said that there was no business transactions.
11 And I asked him if he could confirm that with his
12 computer system. And Monsul said that he didn't really
13 need to do that because he would know. And I said,
14 okay, well, thank you for your time.

15 Q. And Syria, did you do anything on Syria?

16 A. I'm sorry, also with WMC Enterprises, after
17 that conversation, I e-mailed the manager to try and
18 confirm that, but I haven't received an e-mail back.

19 Q. Okay. And anything else? Syria?

20 A. Syria, yes. There was another card, another
21 business card from Syria. I think it's -- I'm not sure
22 if I can pronounce it right, Letojer. And --

23 Q. This is the same exhibit, Judge, Exhibit A,
24 page 4 of 9, this is a business card that Mr. Seda
25 provided to Pretrial on L-E-T-O-J-E-R, there's some

1 English there listing some information in Damascus,
2 Syria.

3 A. Correct.

4 Q. What did you do?

5 A. I called the general phone number on there,
6 what appeared to me to be the office phone number. And
7 again the mobile phone -- I guess it was a mobile phone
8 was switched off, out of area. I attempted to call it a
9 couple of times. It wasn't going through. So then I
10 attempted to get on the Internet and locate the business
11 in the Syrian yellow pages, and could not locate it
12 there.

13 So I went to the Web site, and the Web site
14 states that the Web page is under construction. So I
15 thought, well, if the Web page is under construction,
16 I'm going to go to Web archives and see what was on this
17 Web page prior to the construction to maybe learn a
18 little bit about this company. Maybe there is another
19 number I can call, that kind of thing. But there is no
20 prior Web archives information on this site. And so
21 what I did is I went and did some more research to find
22 out when the site was actually listed on the Internet.
23 And it was registered on the Internet as of May of 2007.
24 So it's very recent to the Internet.

25 And then I did some research on the e-mail

1 address that was on that business card. That comes back
2 to Gmail. And according to some Internet research,
3 Gmail was not up and running until February of 2007 for
4 private persons and businesses. So this e-mail address
5 wasn't even valid until sometime after February of 2007.
6 And that's all the information.

7 Q. Now, in these conversations, did you identify
8 yourself as a criminal investigator here in the United
9 States?

10 A. Yes, I did.

11 Q. Despite that, people assisted you?

12 A. Yes. And, in fact, they -- the manager of
13 Ritchie Bros. and the manager of Worldwide Auctions was
14 very cooperative.

15 Q. Now, based on your -- the comings and goings
16 here, are you able to, as an agent, form an opinion as
17 to whether the financial transactions and information
18 you've garnered would indicate that Mr. Seda had the
19 wherewithal from these business transactions to fund
20 lodging, international travel, and subsistence for his
21 time away from the United States for four-and-a-half
22 years?

23 MR. MATASAR: Objection, Your Honor. This
24 witness has nowhere near the amount of information to
25 possibly render that sort of opinion based on what she's

1 done. She's made four phone calls to four people. It's
2 just completely impossible for her to make that sort of
3 opinion.

4 MR. CARDANI: I'll restate the question.

5 THE COURT: (Nodding head.)

6 BY MR. CARDANI:

7 Q. Based on the information that you obtained and
8 your knowledge that Mr. Seda had -- was it \$30,000 in
9 his bank accounts when he left the country in 2003?

10 A. That's correct.

11 Q. The accounts that we know about?

12 A. That's correct.

13 Q. Based on your experience, how much money did he
14 generate from these business transactions overseas?

15 MR. MATASAR: Again, if he's only asking about
16 the transactions -- the specific transactions that she
17 looked into, I have no objection.

18 MR. CARDANI: Okay. What he said.

19 THE WITNESS: Specifically, the transactions
20 that I looked into, again, from Ritchie Bros.
21 Auctioneers, it didn't appear that he made any money on
22 one of the sales. And it doesn't appear you can make a
23 large commission off of a \$2,000 piece of equipment.
24 Worldwide Auctions, again, they have just a little bit
25 over \$30,000 worth of purchases. Commissions off of

1 those couldn't have been enough to sustain him for four
2 years.

3 BY MR. CARDANI:

4 Q. And one thing I forgot to ask you about is, one
5 of these outfits required a \$25,000 deposit of some
6 sort?

7 A. That's correct. The manager of Ritchie Bros.
8 Auctioneers, which is one of the cards there, stated
9 that in order to participate in one of their auctions
10 that you have to put \$25,000 cash down.

11 MR. MATASAR: Objection, Your Honor. I have a
12 question in aid of objection.

13 THE COURT: Go ahead.

14 MR. MATASAR: Did he tell you you always have
15 to pay \$25,000?

16 THE WITNESS: He said in order to participate,
17 that a customer has to put down 25,000. Did he say
18 "always"? No.

19 MR. MATASAR: Didn't he, in fact, say
20 "usually"?

21 THE WITNESS: Actually, my notes show that he
22 said to bid in an auction, a customer must register and
23 deposit 25,000 USD with Ritchie Bros.

24 MR. MATASAR: Isn't that to get the card?

25 THE WITNESS: No, that's not to get the card.

1 The card is actually issued after a customer's first
2 purchase with an auction.

3 MR. MATASAR: Usually.

4 MR. CARDANI: I have no other questions unless
5 the court has any or Mr. Matasar.

6 THE COURT: Cross.

7 CROSS-EXAMINATION

8 BY MR. MATASAR:

9 Q. Miss Anderson, when you called people to get
10 this information, you said you were an IRS agent; is
11 that right?

12 A. I said I was a special agent with Internal
13 Revenue Service Criminal Investigations.

14 Q. What did you mention about your ties to the
15 court?

16 A. I believe that I mentioned that I was
17 attempting to verify information given to me by the
18 court.

19 Q. Did you say that you were assigned by the
20 court?

21 A. No, I do not believe I said I was assigned by
22 the court.

23 Q. Might you have said that as part of your other
24 explaining, that you were asked to verify information
25 given to the court?

1 A. I don't believe I said that. My understanding
2 is that I told everyone that I was there to verify
3 information that I had received from the court.

4 Q. So you verified that there was a Naba
5 Commercial Brokerage, there was such an organization?

6 A. I verified through Laleh Zahedi that
7 Mr. Sedaghaty was the owner of that entity. Whether it
8 was a corporation, I could not determine.

9 Q. Well, didn't you verify from Mr. Meier that
10 their database lists the defendant, and as the managing
11 director of Naba Commercial Brokerage?

12 A. That's correct.

13 Q. So you verified that. Did you verify that Naba
14 and Mr. Seda did business with Mr. Meier and Ritchie?

15 A. Yes, they did one transaction.

16 Q. Did you verify that Mr. Seda was -- that this
17 business occurred in Dubai, that Mr. Seda did business
18 with WMC Enterprises in Dubai?

19 A. Actually, WMC Enterprises stated that they did
20 not have any business transactions with Mr. Sedaghaty or
21 Naba.

22 Q. I'm sorry, I'm talking about Ritchie Bros.

23 A. Yes, Ritchie Bros. confirmed that the auction
24 occurred in Dubai.

25 Q. And there were -- there was more than one

1 transaction between Mr. Seda and Ritchie Bros. in Dubai?

2 A. There was -- in their records, they show one
3 transaction, two pieces of equipment.

4 Q. I understand. But you verified that Mr. Seda
5 had business transactions in Dubai --

6 A. Yes.

7 Q. -- did you not? And at the time period when he
8 said he was in Dubai?

9 A. I don't believe that I had a time period
10 specific to when he was in Dubai. My understanding,
11 from what I had received from Pretrial Services at that
12 point in time, was a listing of places he had been, but
13 not necessarily a chronological order or time period.
14 That's my understanding.

15 Q. Did you not get my e-mail to Ms. Brown, which
16 is Exhibit C to the documents that were filed yesterday,
17 that indicate in order where Mr. Seda was? Six months
18 in Saudi Arabia; and then 18 months in United Arab
19 Emirates, which includes Dubai; and then 18 months in
20 Tehran, Iran; and then one year in Syria, you were
21 totally unaware of that?

22 A. I'd have to see the exhibit.

23 MR. MATASAR: May I show Exhibit C to her, Your
24 Honor?

25 THE COURT: The clerk will assist you,

1 Mr. Matasar.

2 THE WITNESS: I'm sorry, what was your
3 question?

4 BY MR. MATASAR:

5 Q. Were you aware of that general information that
6 Mr. Seda had given in order where he was from the time
7 he left the United States two years before the
8 indictment in this case?

9 A. I believe I had seen this document, if that's
10 your question, yes.

11 Q. So that would show that he was in Dubai at a
12 certain period of time, right? If he left in February
13 of 2003, and he was gone for a period of months, and
14 then he went to Dubai, he would be in Dubai at the same
15 period, would he not, that meshes or is verified by the
16 transactions that you have looked into in Dubai?

17 A. I'd have to do the math, but it appears to be
18 the right time period.

19 Q. Okay. Now, you said that you called WMC in
20 Dubai?

21 A. Yes, I did.

22 Q. And you tried to talk to a person who was the
23 manager?

24 A. Yes. Actually, it was two phones calls. I
25 called at one point, and the manager wasn't in. And

1 then I called back slightly later, and spoke with the
2 same employee, and he said that the manager was in a
3 meeting.

4 Q. Right. So you don't know if the manager was in
5 or wasn't in or was in a meeting or wasn't in a meeting,
6 you just know that this person that answered the phone
7 told you that -- told you those things, right?

8 A. Yes, the person who identified himself as
9 Monsul, told me that he was in a meeting.

10 Q. What was Monsul's last name?

11 A. He didn't give a last time.

12 Q. Did you ask him for a last name?

13 A. No.

14 Q. When did he work at that company?

15 A. I do not know.

16 Q. Do you know if he was working there in 2004?

17 A. No, I do not.

18 Q. How would you know that he was accurate when he
19 said he would know no matter what the database said
20 whether or not WMC ever had any business with Mr. Seda
21 or Naba Commercial?

22 A. Well, in an attempt to verify his -- whether or
23 not he was accurate, I then e-mailed the manager at the
24 e-mail address that was listed on their Web site,
25 telling the manager that I had spoken with his employee,

1 Monsul, and that I would like to confirm with him that
2 there were no business transactions.

3 Q. And the manager said what?

4 A. I had not received a reply, the time
5 differences.

6 Q. Wasn't this on September 15th?

7 A. This would be --

8 Q. May I have my exhibit?

9 A. Yes.

10 Q. Well, your report was written on the 15th?

11 A. That would have been the date of the contact.
12 I believe -- I'd have to look at my notes -- but I
13 believe that would have been on a weekend, and I called
14 somewhere around 11:00 p.m. So I would have written the
15 report probably Monday; and while in the office,
16 e-mailed the manager. That's my -- without my notes,
17 that would be my best guess.

18 Q. But you haven't heard anything from him since
19 then?

20 A. No.

21 Q. It's been days since then?

22 A. Since Monday.

23 Q. It's been at least one day and one night, the
24 time frame overnight would not explain it?

25 A. That's correct.

1 Q. There was a document here which caused you to
2 question this, WMC Enterprises, a specific bid form. Do
3 you remember that?

4 A. Yes, I was told that there was a specific bid
5 form. I was faxed a copy of it, but, unfortunately, the
6 faxed part of that did not come out, so I was going off
7 of verbal information.

8 Q. So you didn't ask him whether or not he could
9 confirm or verify that this is the type of form used by
10 WMC Enterprises for bids?

11 A. I believe in my e-mail to the manager that I
12 stated that we had information that his company may have
13 given Mr. Sedaghaty a bid. And I believe I put the date
14 down on the bid. But, however, I've not received a
15 confirmation from him.

16 Q. So there is, though, in the documents given to
17 Ms. Brown, a specific form with WMC Enterprises, signed
18 by Mohsin Kamal, is there not?

19 A. Again, I didn't actually get the document
20 because the fax didn't come through, but --

21 Q. Let me show it to you. Well, you knew to call
22 them from Ms. Brown, right?

23 A. That's correct.

24 Q. You were trying to verify whether or not they
25 had any dealings with Mr. Seda, right?

1 A. That's correct. And Ms. Brown provided me with
2 the name of the manager that had signed this.

3 Q. Correct. The name of the manager, the manager
4 signed it, and you are saying that you talked to
5 somebody named Monsul, and he said there was no dealings
6 with Mr. Seda ever. He didn't even want to look at any
7 documents; isn't that what he told you?

8 A. He told me that there were no dealings with
9 Mr. Sedaghaty, and that he didn't need to check their
10 database.

11 Q. He did not need to check?

12 A. That's correct.

13 Q. Because he knew there were no dealings?

14 A. That's what he stated.

15 Q. Okay. But that document would seem to indicate
16 that there were at least some dealings?

17 A. Yes. And I told him that on the phone, that I
18 had information regarding -- that he had gotten quotes.
19 And he said there were no financial transactions with
20 Mr. Sedaghaty.

21 Q. Did -- when you talked with Mr. Seda's ex-wife,
22 you told the court that she wanted to terminate the
23 conversation at the end; is that right?

24 A. That's correct.

25 Q. Okay. What did she tell you in terminating the

1 conversation?

2 A. She told me that she couldn't speak with me any
3 longer, that she needed to contact her attorney, and to
4 call her back in 15 minutes. And I then asked her what
5 is the name of your attorney, and the phone call was
6 terminated.

7 Q. So she told you to call her back in 15 minutes?

8 A. That's correct.

9 Q. And what did she say when you called her back
10 in 15 minutes?

11 A. I did not call her back in 15 minutes because
12 she did not provide me with the name of her attorney.

13 MR. MATASAR: Nothing further.

14 MR. CARDANI: I have nothing else.

15 THE COURT: You may step down.

16 MR. CARDANI: Judge, if I might conclude on
17 this, the point is that we're not presenting this as
18 ironclad proof that's been vetted through an
19 investigative process. The point is that this should be
20 unnecessary. For the context of what is before you
21 right now, this is not a trial on the merits. This is a
22 release decision. This is information that Mr. Seda,
23 after being a fugitive for four-and-a-half years,
24 traveling all these places, comes into the country,
25 surrenders, and is asked basic questions by Pretrial

1 Services, and is not giving information. This is
2 information that they've been pressed over and over and
3 over to provide, and they refuse to. It's coming out in
4 bits and pieces. And it shouldn't be the case that this
5 has to be done to attempt to confirm. This is
6 definitely an arm of the court, but as I understand it,
7 these questions have been asked repeatedly, and they
8 have refused -- if I remember the first statement of
9 Pretrial Services' report, he refused to provide any
10 evidence of travel and financial information. Refused.

11 Now, if someone wants to be released from this
12 court after being a four-and-a-half year fugitive, they
13 have got to do better than that, I would suggest.
14 They've got to be forthcoming with this court, tell the
15 court -- and if Mr. Matasar and Mr. Seda have this
16 information, I dealt with this auction house, I did
17 this, deal with this person, this is who you can
18 contact, here is his e-mail, here is my wife's name and
19 number, this is the type of thing that we see routinely
20 in cases before the court when release is an issue. We
21 want hard information for the court, we want hard
22 information from the defendant who is in the best
23 position to know what that information is. And then the
24 arm of the court attempts to confirm that and verify it
25 so that they can bring their opinion on whether this is

1 someone who should be released or not to the court.

2 Ms. Brown has made the recommendation that this
3 defendant should not be released. And it's my
4 understanding that's still the current recommendation.

5 So I would just -- I don't know where we're
6 going on this, Your Honor. We're doing what we can to
7 verify information to bring the information before the
8 court, but it's very difficult when you have someone who
9 is not cooperating with the court to verify the
10 information. That's all I have.

11 MR. MATASAR: Your Honor, in some respects I
12 disagree with the fundamental aspect of what Mr. Cardani
13 is saying. When he says we always see this kind of
14 information, in my experience, we never see this kind of
15 information when you have these kinds of charges. And
16 so --

17 THE COURT: Are you interested in giving more
18 information to the court in camera?

19 MR. MATASAR: We will give -- yes, Your Honor.
20 We can give information to the court in camera, yes.
21 Bank, if you want. What we're trying -- yeah, I guess
22 the answer to that is yes. And that's where we're going
23 to stop, that would be fine.

24 Let me just say one more thing that we are --
25 while Mr. Cardani keeps talking about drips and drabs,

1 that is simply, to some degree, a perceptual problem
2 because of misunderstandings. It is not the case. We
3 gave Ms. Brown this list or this verbal list of places
4 where he was. Then we gave it to her in handwritten.
5 Then we had it typed. However, the problem is not the
6 form. It's that it was in a way that was simply not
7 familiar to her.

8 THE COURT: The passport issue is problematic,
9 when he's asked about valid passports and doesn't tell
10 about them.

11 MR. MATASAR: He was not asked about another
12 passport. He was not.

13 THE COURT: The typical -- I wasn't there, of
14 course, but I know that typical language is something
15 like any valid passports.

16 MR. MATASAR: I was there, Your Honor. I don't
17 recall the question. I was there. As soon as we
18 thought -- found out it was an issue before the hearing,
19 I had this in my pocket on August 22nd, before the
20 hearing. For one reason or another, like many of these
21 proceedings, it stopped. Mr. Cardani saw me. I didn't
22 get it anywhere else. I was sitting in that chair the
23 whole time. And at the recess, I gave him the passport.
24 It was not something that happened at the hearing that
25 caused me to give it to him. I always intended to give

1 it to him.

2 The other issue as far as the other -- the old
3 passports, we've explained that. It's simply organizing
4 it and understanding it, not unwilling to give it.

5 I have been concerned about the financial
6 information, which I am happy to give to the court. I'm
7 worried that it simply won't be verified in the same way
8 that we have problems with this.

9 THE COURT: Time will tell.

10 MR. MATASAR: I am happy to give it to the
11 court.

12 THE COURT: I think what we'll do -- I think
13 we'll do that in the courtroom. I think I'll keep my
14 staff here, and Ms. Brown, you and your client, and
15 we'll clear the courtroom otherwise right now. Thank
16 you very much. Sorry for the inconvenience for the
17 others here. Off the record.

18 (Discussion held off the record.)

19 (Further proceedings were had which were
20 ordered sealed.)

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1 (Mr. Cardani enters the courtroom at 2:18 p.m.)

2 THE COURT: The regular public can come in, if
3 there is any left.

4 MR. CARDANI: There is plenty of people out
5 there that would love to come in.

6 THE COURT: Yeah, they can come in. Anyone
7 else can come in. The court is open now.

8 MR. CARDANI: I'll get the case agents, then,
9 if I may.

10 THE COURT: Of course.

11 MR. CARDANI: Excuse me, Your Honor.

12 THE COURT: All right. We'll go back on the
13 record. The -- one of the difficulties in this issue is
14 it has been like pulling teeth to get information.
15 We've been in here quite a long while, and a lot of
16 other information has been disclosed.

17 I'm going to allow Mr. Matasar the opportunity
18 to provide supporting materials and contact numbers.
19 And I'm going take this matter under advisement, and
20 await a further report from Ms. Brown, after she has
21 that information or has had the chance to check it out.

22 She has recommended against release to this
23 point, and I have followed that. We'll see how this
24 information proves out.

25 Anything further at this time?

1 MR. CARDANI: Just a point of clarification,
2 Judge.

3 THE COURT: Yes.

4 MR. CARDANI: Is there anything that you want
5 Ms. Brown to do in terms of the agents being able to
6 follow-up or is that something you don't want to occur?

7 THE COURT: Well, Ms. Brown can use whatever
8 assets in that regard that her supervisors believe are
9 appropriate.

10 I am going to build a wall between this inquiry
11 and the prosecution. As you say, there is a statute on
12 that. We'll follow it, of course. You know, it's no
13 different in that way than the fella that went to trial
14 on a marijuana grow in Medford before me the other day.
15 He was acting out and we had him shrunk, and he was
16 quite candid about his activities in the marijuana grow.
17 He had a different position at trial. He didn't
18 testify, which would have been problematic, but he had a
19 different position there. And, in fact, I kept the
20 picture from the jury of him in front of the marijuana
21 and the grow. But, so there are, as those who work in
22 this venue, we know how to do that, and will do that.

23 MR. CARDANI: And, likewise, if we have
24 follow-up information that comes our way, we can share
25 that with Pretrial Services?

1 THE COURT: Absolutely. The point is to find
2 out what is happening here. Some of the -- of course,
3 there can be miscommunications, but there just hasn't
4 been enough communication to -- given this background --
5 to justify the defendant's release, particularly on the
6 appearance question. And that's what I'm -- I realize
7 you have another point of your argument, but whether
8 people appear or not is really what interests me, at
9 this point.

10 The other side of it, we can control that, I
11 think. And we have to respect the First Amendment in
12 that regard, too. So I'm the only one in this room
13 that's given up their First Amendment rights.

14 All right. We're in recess.

15 (The proceedings were concluded at 2:22 p.m.)
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CERTIFICATE

I, Deborah Wilhelm, Certified Shorthand Reporter for the State of Oregon, do hereby certify that I was present at and reported in machine shorthand the oral proceedings had in the above-entitled matter. I hereby certify that the foregoing is a true and correct transcript, to the best of my skill and ability, dated this 22nd day of October, 2007.



Deborah Wilhelm
Deborah Wilhelm, RPR
Certified Shorthand Reporter
Certificate No. 00-0363